



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
9301 CHAPEK ROAD
FORT BELVOIR, VA 22060-5527

CPL 05-40-AMCPE-F
2 November 2005

AMCPE-F

MEMORANDUM FOR Headquarters, Army Materiel Command (HQAMC) Management
Officials and Supervisors

SUBJECT: Command Policy Letter - HQAMC Incentive Awards Policy

1. References:

- a. AR 672-20, Incentive Awards, 29 January 1999.
- b. Memorandum, HQAMC, AMCPE, 16 November 2000, subject as above.

2. This memorandum supersedes referenced memorandum. The goal of the HQAMC Incentive Awards Program is to foster mission success by recognizing superior performance and accomplishments and motivating employees to high levels of performance and service.

a. Honorary Awards. Use of honorary awards to recognize superior achievements and performance is highly encouraged.

b. Monetary Awards. All monetary awards (performance, special act/service, and on-the-spot), will be budgeted based on 1.5 percent of the aggregate base salary. Award amounts may be percentages of base pay or flat amounts as long as the Deputy Chief of Staff (DCS) or Separate Office Chief (DCS/SOC) has sufficient funds. The Commanding General has approval authority for cash awards up to \$10,000 and has delegated award approval authority as follows:

(1) Deputy Commanding General (DCG) and Executive Deputy to the Commanding General – up to and including \$7,500.

(2) DCS/SOC – up to and including \$3,000.

c. Performance Awards: Performance awards are neither mandatory nor an entitlement. Employees will not be nominated automatically for a performance award based on their rating. Rather, awards should be based on exemplary performance and serve as an incentive for continued high performance. Caution should be used in granting retiring/separating employees a performance award.

AMCPE-F

SUBJECT: Command Policy Letter - HQAMC Incentive Awards Policy

d. Quality Step Increase (QSI). A QSI is an additional within grade increase and constitutes a substantial salary increase. Only those employees with a level one performance rating **AND** who are expected to continue to perform at a high level are eligible to receive a QSI. An employee may not receive more than one QSI in any 52-week period. Approvals must be at least one level above that of the nominating official and no lower than General Officer/Senior Executive Service member at the DCS level. The Deputy Commanding General (DCG) will be the approving official for special offices. The DCS/SOC should establish budget goals for awarding QSIs which will not exceed nine percent of their eligible assigned workforce during the fiscal year. Exceptions above the nine percent limit must be approved by the DCG.

e. Time Off Awards (TOA). A TOA may be given in lieu of or in conjunction with a performance award. It may be granted in amounts up to 40 hours for a single contribution, but employees may not receive more than 80 hours in a leave year. A TOA must be scheduled and used within one year of approval date and will not convert to a cash payment under any circumstance.

3. Each manager and supervisor is responsible for judicious use of AMC's awards and dollars as well as proper administration of performance management and the incentive awards programs. Additionally, managers and supervisors will ensure that performance objectives and consequently incentive awards are linked to the AMC strategic plan. You are reminded that all awards are granted on the basis of merit without regard to age, sex, race, color, religion, national origin, marital status, or physical or mental handicap.

//Signed//
BENJAMIN S. GRIFFIN
General, USA
Commanding

DISTRIBUTION:

B
H